and operations to curb adulteration and specify norms and guidelines in this regard.

(iv) Keeping in view the misuse/diversion of SKO for adulteration, the import of SKO by private parties has been canalized through OMCs.

(v) OMCs have introduced new tamper proof tank-truck locking systems to prevent en route adulteration by transporters.

(vi) IT solutions like monitoring movement of tank trucks through Global Positioning System (GPS) and monitoring level of fuel tanks in Retail Outlets through retail automation are being introduced.

(vB) Branding of Retail Outlets and third party certification of Retail Outlets have been initiated by the OMCs.

(viii) A pilot project has been approved for strengthening the distribution network of PDS kerosene with a view to working towards ensuring that this product is made available to the targeted consumers and is not diverted for adulteration.

Measures to check adulteration are kept under continuous review of the Government.

**Adulteration of Petrol and Diesel**

3507. SHRI EKANATH K THAKUR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are aware of the fact that the adulteration of petrol and diesel is a big ticket scam that involves an annual recurring loss of at least Rs. 10,000 crore to the exchequer;

(b) whether it is a fact that about 30 to 40 per cent of PDS kerosene is diverted for adulteration; and

(c) if so, the steps Government propose to take to check the adulteration of petrol and diesel?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) While Government is aware of attempts by unscrupulous elements to adulterate petroleum products, no estimate of annual loss to exchequer due to this is available. Further, there are possibilities of diversion of PDS kerosene for adulteration *inter alia* on

account of the substantial price difference between this product and other petroleum products, especially diesel.

(b) There is no accurate estimate of the quantum of PDS Kerosene being illegitimately diverted but the extent of diversion is believed to have been substantially reduced after parallel marketing was ended.

(c) The action taken by the Government/Public Sector Oil Marketing Companies (OMCs) is containing the menace of adulteration include the following:—

(i) Under the Control Orders issued by the Government to prevent fuel adulteration, under the Essential Commodities Act, 1955, State Governments are empowered to take action against those indulging in adulteration. Government have taken up this matter with all the State Governments/Union Territory Administrations to step up inspections/surprise checks to ensure that adulteration related activities are minimized and to exercise vigil/conduct inspections at various private firms, factories, processing units, etc., under their jurisdictions so as to identify the perpetrators of adulteration and taken stringent action against them within the available legal framework.

(ii) OMCs undertake regular and surprise inspections of Retail Outlets and also take action under Marketing Discipline Guidelines (MDG) and Dealership Agreements against those indulging in adulteration and malpractices. MDG provide for penalty of termination of dealership in cases of adulteration being established.

(iii) As advised by the Government, Oil Marketing Companies (OMCs) have created a separate wing to report to a Director other than Director(Marketing), which will oversee and monitor all activities and operations to curb adulteration and specify norms and guidelines in this regard.

(iv) Keeping in view the misuse/diversion of SKO for adulteration, the import of SKO by private parties has been canalized through OMCs.

(v) OMCs have introduced new tamper proof tank-truck locking systems to prevent en route adulteration by transporters.

(vi) IT solutions like monitoring movement of tank trucks through Global Positioning System (GPS) and monitoring level of fuel tanks

in Retail Outlets through retail automation are being introduced.

(vii) -Branding of Retail Outlets and third party certification of Retail Outlets have been initiated by the OMCs.

(viii) A pilot project has been approved for strengthening the distribution network of PDS kerosene with a view to working towards ensuring that this product is made available to the targeted consumers and is not diverted for adulteration.

Measures to check adulteration are kept under continuous review of the Government.

**Study on Demand for Kerosene**

3508. SHRI NANDI YELLAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the SKO dealership has in general become economically unviable and allocation of SKO all over the country has been reducing over the last few years due to increase in release of LPG connections;

(b) if so, the details of the efforts being made by the oil companies and district civil supplies authorities to increase profitability of SKO-LDO dealers;

(c) whether Government propose to conduct a study of the demand of kerosene at various prices and to strengthen the kerosene distribution system; and

(d) whether Government propose to increase the commission of SKO-LDO dealers?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) The Central Government allocates Kerosene (SKO) to the States and Union Territories (UTs) for distribution under the Public Distribution system (PDS). In terms of the policy in place since 2001-02, SKO allocations to States/UTs have been reduced after taking into account the number of new LPG connections released in the States/ Uts. The States/UTs were advised to rationalize the distribution of their kerosene quotas by excluding ration card holders having LPG connections with single/double cylinders, and distributing the quantity thus saved to needy people. Maintaining viability is the important consideration for OMCs.

OMCs have reported that they consider a viability norm of 75 KL sales